

Proposed Rule
LSA Document #12-280

DIGEST

Amends [68 IAC 21-1-2](#) through [68 IAC 21-1-4](#), [68 IAC 21-1-9](#), [68 IAC 21-1-14](#) through [68 IAC 21-1-15.5](#), [68 IAC 21-1-19](#), [68 IAC 21-2-1](#) through [68 IAC 21-2-6](#), [68 IAC 21-3-1](#), [68 IAC 21-3-2](#), [68 IAC 21-3-4](#), [68 IAC 21-3-4.1](#), [68 IAC 21-4-1](#), [68 IAC 21-4-2](#), [68 IAC 21-5-1](#), [68 IAC 21-6-1](#), and [68 IAC 21-6-2](#) and adds [68 IAC 21-2-8](#), [68 IAC 21-3-4.2](#), and [68 IAC 21-3-4.3](#), concerning the conduct of charity gaming activities by qualified organizations, manufacturers, and distributors licensed by the Indiana Gaming Commission, to establish conditions for adding and removing affiliates of a national organization or foundation under the annual comprehensive license and to establish requirements for qualified card games. Adds [68 IAC 21-1-6.5](#) to define "calendar week". Adds [68 IAC 21-1-8.5](#) to define "dispensing device". Adds [68 IAC 21-1-8.7](#) to define "exempt event". Adds [68 IAC 21-1-16.5](#) to define "retail establishment". Adds [68 IAC 21-1-20](#) to define "worker". Repeals [68 IAC 21-1-5](#), [68 IAC 21-1-6](#), and [68 IAC 21-2-7](#). Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[68 IAC 21-1-2](#); [68 IAC 21-1-3](#); [68 IAC 21-1-4](#); [68 IAC 21-1-5](#); [68 IAC 21-1-6](#); [68 IAC 21-1-6.5](#); [68 IAC 21-1-8.5](#); [68 IAC 21-1-8.7](#); [68 IAC 21-1-9](#); [68 IAC 21-1-14](#); [68 IAC 21-1-15](#); [68 IAC 21-1-15.5](#); [68 IAC 21-1-16.5](#); [68 IAC 21-1-19](#); [68 IAC 21-1-20](#); [68 IAC 21-2-1](#); [68 IAC 21-2-2](#); [68 IAC 21-2-3](#); [68 IAC 21-2-4](#); [68 IAC 21-2-5](#); [68 IAC 21-2-6](#); [68 IAC 21-2-7](#); [68 IAC 21-2-8](#); [68 IAC 21-3-1](#); [68 IAC 21-3-2](#); [68 IAC 21-3-4](#); [68 IAC 21-3-4.1](#); [68 IAC 21-3-4.2](#); [68 IAC 21-3-4.3](#); [68 IAC 21-4-1](#); [68 IAC 21-4-2](#); [68 IAC 21-5-1](#); [68 IAC 21-6-1](#); [68 IAC 21-6-2](#)

SECTION 1. [68 IAC 21-1-2](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-2](#) "Bingo card" or "bingo paper" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 2. "Bingo card" or "bingo paper" means permutations of letter and number combinations printed on reusable or nonreusable card or paper stock containing five (5) rows of five (5) squares, each imprinted with randomly placed numbers, one (1) through seventy-five (75), except for the center square, which is always marked with the word "free". The letters "B-I-N-G-O" in this order must also be imprinted above each of the five (5) columns. **The numbers one (1) through fifteen (15) are assigned to the "B" column. The numbers sixteen (16) through thirty (30) are assigned to the "I" column. The numbers thirty-one (31) through forty-five (45) are assigned to the "N" column. The numbers forty-six (46) through sixty (60) are assigned to the "G" column. The numbers sixty-one (61) through seventy-five (75) are assigned to the "O" column.** A serial number consisting of at least five (5) alpha characters or numeric characters, or both, must be printed on each item manufactured and sold.

(Indiana Gaming Commission; [68 IAC 21-1-2](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 2. [68 IAC 21-1-3](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-3](#) "Bingo equipment" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 3. "Bingo equipment" means all paraphernalia used to conduct bingo, including, but not limited to, the following:

- (1) Random number selection equipment.
- (2) Designators, such as bingo balls.
- (3) Designator receptacles.
- (4) Number display boards.

~~(5) Dispensing devices.~~

The term does not include audio or video equipment, which plays no part in the conduct of the game.

(Indiana Gaming Commission; [68 IAC 21-1-3](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 3. [68 IAC 21-1-4](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-4](#) "Bingo supplies" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 4. "Bingo supplies" includes, but is not limited to, any of the following:

- (1) Bingo paper.
- (2) Bingo cards.
- (3) Concealed face bingo cards.
- ~~(4) Daubers.~~
- ~~(5)~~ **(4)** Other devices designed to cover squares on a bingo card or bingo paper.

(Indiana Gaming Commission; [68 IAC 21-1-4](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 4. [68 IAC 21-1-6.5](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-1-6.5](#) "Calendar week" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 6.5. "Calendar week" means one (1) continuous seven (7) day period beginning on 12:01 a.m. Sunday and ending at 11:59 p.m. on the following Saturday.

(Indiana Gaming Commission; [68 IAC 21-1-6.5](#))

SECTION 5. [68 IAC 21-1-8.5](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-1-8.5](#) "Dispensing device" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 8.5. "Dispensing device" means a mechanical or electromechanical device with one (1) or more stacking columns that dispenses a pull-tab only after a player inserts an appropriate amount of coin or currency. The term does not include a device that electronically generates a pull-tab.

(Indiana Gaming Commission; [68 IAC 21-1-8.5](#))

SECTION 6. [68 IAC 21-1-8.7](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-1-8.7](#) "Exempt event" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-4-3](#)

Sec. 8.7. "Exempt event" means an allowable event conducted by a qualified organization under [IC 4-32.2-4-3](#) for which a charity gaming license is not required.

(Indiana Gaming Commission; [68 IAC 21-1-8.7](#))

SECTION 7. [68 IAC 21-1-9](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-9](#) "Festival" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 9. "Festival" means an event where a qualified organization is authorized to:

- (1) conduct:
 - (A) bingo events;
 - (B) charity game nights;
 - (C) ~~one (1) raffle event; and~~ **events;**
 - (D) door prize events;
 - (E) guessing games; and**
 - (F) water races; and**
- (2) sell pull-tabs, tabs, punchboards, and tip boards.

(Indiana Gaming Commission; [68 IAC 21-1-9](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 8. [68 IAC 21-1-14](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-14](#) "Licensed supply" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-2-19](#); [IC 4-32.2-4](#)

Sec. 14. In addition to the items identified in [IC 4-32.2-2-19](#), "licensed supply" means any supplies, devices, or equipment critical to the conduct of any ~~gambling~~ **gaming** activities at an allowable event, including the following:

- (1) Roulette and any other prize wheels.
- (2) Qualified personal property.
- (3) Bingo equipment.
- (4) Bingo supplies.
- (5) Seal cards.
- (6) Tip board tickets.
- (7) Tickets sold for an allowable event, held under a license issued under [IC 4-32.2-4-8](#), [IC 4-32.2-4-10](#), or [IC 4-32.2-4-12](#) or a single event license issued under [IC 4-32.2-4-16](#), for which a volunteer ticket agent is used.**
- (8) Dispensing devices.**
- ~~(7)~~ **(9) Any other gaming materials designed to be used in and necessary to conduct an allowable event and specified by the executive director or commission.**

(Indiana Gaming Commission; [68 IAC 21-1-14](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 9. [68 IAC 21-1-15](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-15](#) "Operator" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-1-21](#)

Sec. 15. "Operator", as defined in [IC 4-32.2-2-21](#), means ~~any~~ **either:**

- (1) a member of a qualified organization who has oversight of or is responsible for performing functions directly associated with critical aspects of ~~gambling~~ **gaming** activities, including, but not limited to: ~~any of the following:~~**
 - ~~(4)~~ **(A) accounting for money received and disbursed at the charity gaming event;**
 - ~~(2)~~ **(B) keeping records of the charity gaming event;**
 - ~~(3)~~ **(C) announcing the letter-number combination at a bingo event;**

- (D) conducting:
 - (i) the winning draw for a raffle;
 - (ii) a qualified drawing;
 - (iii) a winner take all drawing; or
 - (iv) a door prize drawing;
- (E) determining the winner in a guessing game or a water race;
- (F) determining the flare and seal card winner;
- (G) controlling the mixing and distributing of pull-tabs;
- (H) redeeming a pull-tab, punchboard, or tip board valued at more than fifty dollars (\$50); or
- (I) performing a task of a worker; or
- (2) a remunerated bartender designated on a qualified organization's annual PPT license or annual raffle license.

(Indiana Gaming Commission; [68 IAC 21-1-15](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 10. [68 IAC 21-1-15.5](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-15.5](#) "Qualified drawing" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 15.5. "Qualified drawing" means a random drawing to award one (1) ~~or more prizes,~~ **monetary prize**, conducted under an annual PPT license, in which the qualified organization keeps no portion of the amounts wagered. ~~The total amount awarded to the winner of a qualified drawing may not exceed three hundred dollars (\$300).~~

(Indiana Gaming Commission; [68 IAC 21-1-15.5](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 11. [68 IAC 21-1-16.5](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-1-16.5](#) "Retail establishment" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 16.5. "Retail establishment" means a for-profit business maintaining a physical storefront presence in Indiana. The term does not include qualified organizations or an organization that is eligible to become a qualified organization.

(Indiana Gaming Commission; [68 IAC 21-1-16.5](#))

SECTION 12. [68 IAC 21-1-19](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-1-19](#) "Winner take all drawing" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 19. "Winner take all drawing" means a random drawing to award one (1) ~~or more prizes,~~ **monetary prize**, conducted under an annual PPT license, in which the qualified organization keeps no portion of the amounts wagered. ~~The total amount awarded to the winner of a qualified drawing may not exceed three hundred dollars (\$300).~~

(Indiana Gaming Commission; [68 IAC 21-1-19](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 13. [68 IAC 21-1-20](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-1-20](#) "Worker" defined

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-2-30](#)

Sec. 20. "Worker", as defined in [IC 4-32.2-2-30](#), means a member of a qualified organization who assists in conducting gaming activities, including, but not limited to, the following:

- (1) Selling pull-tabs, punchboards, and tip boards.**
- (2) Selling bingo supplies.**
- (3) Dealing cards at a card game other than a qualified card game.**
- (4) Selling tickets or chances to an allowable event.**
- (5) Redeeming pull-tabs, punchboards, and tip boards valued at fifty dollars (\$50) or less.**

(Indiana Gaming Commission; [68 IAC 21-1-20](#))

SECTION 14. [68 IAC 21-2-1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-2-1](#) Application by qualified organization

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-2-24](#); [IC 4-32.2-5-6](#)

Sec. 1. (a) To obtain a license to conduct an allowable event, an a qualified organization must submit a written application on the form or forms prescribed by the commission. An application for a **single event license to conduct an allowable event must be received not later than ~~thirty (30)~~ **forty-five (45) business** days before the date on which the allowable event is conducted. An application for an annual event license must be received not later than one hundred twenty (120) business days before the date on which the first allowable event is conducted.**

(b) The application shall include the following information:

- (1) The name and address of the organization.
- (2) The names, ~~and~~ addresses, **and telephone numbers** of the officers of the organization.
- (3) The type of allowable event the organization proposes to conduct.
- (4) The physical location where the organization will conduct the allowable event.
- (5) The date or dates and time or times of the proposed allowable event.
- (6) Sufficient facts ~~for the commission relating to determine that~~ the organization or the organization's incorporation or founding **to enable the commission to determine whether the organization** is a qualified organization as defined in [IC 4-32.2-2-24](#), including any of the following:
 - (A) A notice issued by the commission under this rule in which the commission has determined the organization is a qualified organization.
 - (B) Evidence that the organization has been previously determined by the commission to be a qualified organization.
 - (C) The information outlined in section 2(a) of this rule.
- (7) The **full legal** name or names of each proposed operator and worker and sufficient facts to determine that person is qualified to be an operator or worker, including, but not limited to, the proposed operator's or worker's:
 - (A) address **of primary residence**;
 - (B) date of birth;
 - (C) ~~length of~~ **beginning date of** membership; ~~and~~
 - (D) driver's license number or state identification number; **and**
 - (E) **telephone number.**
- (8) A sworn statement signed by the presiding officer and secretary of the organization attesting to the eligibility of the organization for a license, including the nonprofit character of the organization.
- (9) A current copy of the organization's membership roster or other proof of membership of each proposed operator or worker.
- (10) A copy of the lease **or sublease** if the organization is renting the premises at which the gaming activity occurs. **The lease or sublease must state that the lessor understands that lessee intends to conduct gaming activity on the leased premises. A sublease must clearly indicate that it is a sublease.**

- (11) The lease of a location or facility for an allowable event must be in writing and executed:
- (A) between the qualified organization and the owner of the premises, as determined by the property owner of record on the property tax rolls of the county in which the property is located; or
 - (B) as a valid sublease between the sublessor and sublessee, with written consent of the assignment by the property owner of record, as determined by the property tax rolls of the county in which the property is located.
- (12) A copy of the donation statement if the organization is using the premises at which the gaming activity occurs without any charge from the owner of the premises. The donation statement must state that the donor understands that the donee intends to conduct gaming activity on the donated premises.

(c) If an organization that has been determined by the commission to be a qualified organization does not conduct an allowable event for a period of at least three (3) years, the organization must provide to the commission the information outlined in section 2 of this rule before conducting an allowable event.

(Indiana Gaming Commission; [68 IAC 21-2-1](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 15. [68 IAC 21-2-2](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-2-2](#) Qualified organization predetermination

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-2-24](#); [IC 4-32.2-4-4](#); [IC 12-25](#); [IC 16-21](#); [IC 16-28](#)

Sec. 2. (a) Not later than ~~ninety (90)~~ **one hundred twenty (120) business** days before conducting an allowable event under [IC 4-32.2-4-4](#), an organization not yet determined to be a qualified organization must provide to the commission facts sufficient for the commission to make a determination that the organization is a qualified organization as defined in [IC 4-32.2-2-24](#). The information must be submitted on a form prescribed by the commission and must include the following information:

- (1) The organization's ~~Indiana~~ **federal** taxpayer identification number.
- (2) A letter from the Internal Revenue Service stating that the organization is exempt from taxation under Section 501 of the Internal Revenue Code.
- (3) Proof that the organization has been in existence as required by [IC 4-32.2-2-24](#)(a), if the organization is a bona fide:
 - (A) religious;
 - (B) educational;
 - (C) senior citizen; **citizens**;
 - (D) veterans; or
 - (E) civic;

organization.

- (4) Proof that the organization is a bona fide political organization, if applicable.
- (5) Proof that the organization is a state educational institution, if applicable.
- ~~(6) A copy of the organization's bylaws or articles of incorporation.~~
- ~~(7) Proof that the organization is in good standing with the department of state revenue.~~
- ~~(8)~~ **(6) Proof that the organization is a bona fide fraternal organization, if applicable.**
- (7) Proof that the organization is a bona fide educational organization, if applicable.**
- (8) Proof that the organization is a bona fide religious organization, if applicable.**
- (9) Proof that the organization is a bona fide senior citizens organization, if applicable.**
- (10) Proof that the organization is a bona fide veterans organization, if applicable.**
- (11) Proof that the organization is a bona fide civic organization, if applicable.**
- (12) Proof that the organization is a bona fide business organization, if applicable.**
- (13) Proof that the organization is a hospital licensed under [IC 16-21](#), a health facility licensed under [IC 16-28](#), or a psychiatric facility licensed under [IC 12-25](#), if applicable.**
- (14) A copy of the organization's bylaws, constitution, charter, and articles of incorporation, if applicable, showing:**
 - (A) the purpose or mission of the organization;**
 - (B) the titles of the officeholders and their corresponding duties;**

- (C) the membership requirements of the organization, including classes of members or voting rights, if any;
- (D) a dissolution clause showing that upon dissolution the remaining assets of the organization shall be used for nonprofit purposes that will support or advance the purpose or mission of the organization.

(15) Proof that the organization is in good standing with the department of state revenue.

(b) Upon receipt and verification of the information required in subsection (a), the commission shall issue a notice to the organization that the organization is a qualified organization as defined in [IC 4-32.2-2-24](#).

(Indiana Gaming Commission; [68 IAC 21-2-2](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 16. [68 IAC 21-2-3](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-2-3](#) License not required; notice

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-4-3](#)

Sec. 3. ~~An organization conducting an allowable event described in [IC 4-32.2-4-3](#) (a) shall send prior written notice~~ **(a) To receive approval to conduct an exempt event, a qualified organization must submit written notice on the form or forms prescribed by** the commission informing the commission of the following:

- (1) Verification that the organization has been determined by the commission to be a qualified organization, including any of the following:
 - (A) A notice issued by the commission under section 2 of this rule in which the commission has determined that the organization is a qualified organization.
 - (B) Evidence that the organization has been previously determined by the commission to be a qualified organization.
 - (C) The information outlined in section 2(a) of this rule.
- (2) ~~The estimated frequency~~ **date or dates and time or times** of the planned ~~allowable~~ **exempt** event or events.
- (3) The location or locations where the qualified organization plans to hold the ~~allowable~~ **exempt** event or events.
- (4) The estimated value of all prizes to be awarded at each ~~allowable~~ **exempt** event.

(b) An organization conducting an exempt event must post the approval at the location of the event.

(Indiana Gaming Commission; [68 IAC 21-2-3](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 17. [68 IAC 21-2-4](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-2-4](#) Application by a manufacturer or distributor

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-3-4](#)

Sec. 4. (a) In order to sell ~~any or lease~~ licensed supply to a qualified organization ~~or distributor~~, an entity is required to be licensed as ~~a manufacturer or a distributor~~ under [IC 4-32.2-3-4](#). **A licensed distributor may sell or lease licensed supply to another licensed distributor. In order to manufacture licensed supply for sale or lease to a licensed distributor, an entity is required to be licensed as a manufacturer under [IC 4-32.2-3-4](#). A licensed manufacturer may sell or lease licensed supply to a licensed distributor or another licensed manufacturer.** To obtain an annual license, a manufacturer or distributor must submit a written application on a form prescribed by the commission.

(b) The manufacturer's application shall include all information deemed appropriate by the commission or the

executive director, including, but not limited to, the following:

- (1) The name of the applicant and the address of the applicant's principal place of business.
- (2) The address of each of the applicant's separate locations where licensed supplies are manufactured.
- (3) The name and home address of all owners of the applicant's business if it is not a corporation and, if it is a corporation, the name and address of the following:
 - (A) ~~The officers~~ **Each officer** of the corporation.
 - (B) ~~Each person owning at least ten percent (10%) of any class of stock of the corporation.~~ **substantial owner.**
- (4) The name, business address, and home address of the registered agent for service in Indiana if the applicant is a corporation not domiciled in Indiana.
- (5) Whether the applicant or ~~any a~~ person required to be named in the application is an owner, officer, director, or employee of ~~any other~~ **another** entity that would be licensed under this rule.
- (6) A full description of the type of license **licensed** supply ~~or related equipment~~ that will be manufactured.
- (7) The name of each state where the applicant has been licensed to manufacture, supply, or distribute licensed supplies, ~~or related equipment~~, the license numbers, the period of time licensed, and whether or not a license has ever been suspended, revoked, or voluntarily forfeited, and the reason for that action.

(c) A distributor must purchase ~~all~~ licensed supplies to be used in charity gaming in Indiana from a licensed manufacturer or another licensed distributor. The distributor's application shall include the following information:

- (1) The full name and address of the applicant.
- (2) The name and address of the following:
 - (A) Each location operated by the distributor where licensed supplies are stored.
 - (B) Each owner, if the applicant is not a ~~corporate distributor.~~ **corporation.**
 - (C) ~~Each shareholder who owns at least ten percent (10%) of any class of stock.~~ **substantial owner.**
 - (D) The registered agent for service in Indiana, if it is a corporation not domiciled in Indiana.
- (3) A full description of the type of licensed supply that will be distributed.
- (4) The name of ~~each state~~ **the states** where the applicant has been a licensed distributor, the license number, the period of time licensed, and whether or not a license has ever been suspended or revoked, or voluntarily forfeited, and the reason for that action.
- (5) The name and address of ~~every manufacturer~~ **the manufacturers** from which purchases are made to be distributed in Indiana.

(d) An entity that both manufactures and distributes ~~supplies, devices, or equipment~~ **licensed supply** to be used in charity gaming in Indiana must possess a manufacturer's license and a distributor's license.

(e) A license issued to a manufacturer or a distributor is not transferable.

(Indiana Gaming Commission; [68 IAC 21-2-4](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 18. [68 IAC 21-2-5](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-2-5](#) Denial of license

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 5. (a) **In addition to the reasons identified in [IC 4-32.2-3-4](#) and [IC 4-32.2-4-2.5](#),** the commission may deny a license to an organization, a manufacturer, **or a distributor,** ~~or individual about whom~~ if the commission has reason to believe at least one (1) **determines any** of the following:

- ~~(1) The organization has failed to provide sufficient information for the commission to determine that the organization is a qualified organization as defined in [IC 4-32.2-2-24](#).~~
- ~~(2) The qualified organization has failed to provide information required by [IC 4-32.2](#) and this article.~~
- ~~(3) The manufacturer or distributor has failed to provide information required by [IC 4-32.2](#) and this article.~~
- (1) The applicant has violated a statute, regulation, rule, local ordinance, or other law providing for the best interests of charity gaming.**
- ~~(5) The applicant has engaged in fraud, deceit, or misrepresentation.~~
- ~~(6) (2) The applicant has failed to timely pay any federal, state, or local tax obligation due.~~
- (3) The applicant has had a license revoked by the commission during the three (3) years prior to the**

date of the submission of the current license application.

(4) The applicant has failed to pay the appropriate license fee.

(b) For purposes of the grant, renewal, or denial of a license, the commission may consider ~~all the~~ relevant activities of an organization prior to ~~any a~~ reorganization conducted under ~~IC 4-32.2-2-24(a)(C)(iii)~~. **IC 4-32.2-2-24(a)(1)(C)(iii).**

(Indiana Gaming Commission; [68 IAC 21-2-5](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 19. [68 IAC 21-2-6](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-2-6](#) License fees

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-6-3](#)

Sec. 6. (a) All license fees must be paid at the time the application for licensure is submitted to the commission.

(b) The initial license fee and renewal fee for a:

~~(1) manufacturer~~ **or distributor** is five thousand dollars (\$5,000). ~~and~~

~~(2) distributor is five thousand dollars (\$5,000).~~

(c) The initial fee on each separate license held by a qualified organization is fifty dollars (\$50).

(d) If a period of at least three (3) years elapses between the dates on which a qualified organization lawfully conducts an allowable event, a license issued for the first time following the three (3) year period shall be considered an initial license for purposes of [IC 4-32.2-6-3](#) and this rule.

(e) The commission may assess a twenty-five dollar (\$25) fee for an amendment to a license.

(f) If a qualified organization withdraws its application for an initial license or a license renewal, in writing, prior to issuance of the license or grant of the renewal, the commission shall refund the applicable license fee or renewal fee to the qualified organization, minus a fifty dollar (\$50) processing charge.

(g) If a qualified organization surrenders to the commission a single event license prior to hosting the event or events for which a single event license had been procured, the commission shall refund the lesser of:

(1) the applicable license fee or renewal fee, minus a fifty dollar (\$50) processing charge; or

(2) fifty percent (50%) of the applicable license fee or renewal fee.

(h) If a qualified organization surrenders to the commission an annual event license prior to the effective date of the license, the commission shall refund the lesser of:

(1) the applicable license fee or renewal fee, minus a fifty dollar (\$50) processing charge; or

(2) fifty percent (50%) of the applicable license fee or renewal fee.

~~(i) Receipts from sales of any goods, services, or other property sold in direct connection with or because of any gambling aspect of an allowable event must be included in gross receipts as a related activity for purposes of the qualified organization's renewal fee.~~

~~(j) (i) The commission may collect outstanding license fees resulting from underreported gaming income from an allowable event. and related activities.~~

(Indiana Gaming Commission; [68 IAC 21-2-6](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 20. [68 IAC 21-2-8](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-2-8](#) Adding or removing affiliates

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 8. Affiliates of a bona fide national organization or foundation may only be added to or removed from an annual comprehensive charity gaming license at the time of the initial or renewal application.

(Indiana Gaming Commission; [68 IAC 21-2-8](#))

SECTION 21. [68 IAC 21-3-1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-3-1](#) Allowable events

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-2-2](#)

Sec. 1. (a) **In addition to the events identified in [IC 4-32.2-2-2](#)**, the following events are allowed:

- (1) A bingo event.
- (2) A charity game night.
- (3) A door prize drawing.
- (4) A festival.
- (5) A sale of pull tabs, punchboards, or tip boards.
- (6) A raffle event.
- (7) **(1)** A water race event.
- (8) **(2)** A guessing game event.
- (9) **Any other (3) A** game of chance conducted as a fundraising activity of a qualified organization and approved by the commission.

~~(b) A sale of pull tabs, punchboards, or tip boards may be conducted by a qualified organization at any allowable event. Also, a qualified organization may sell pull tabs, punchboards, or tip boards at any time on the premises owned or leased by the organization and regularly used by the organization as long as the organization possesses a valid annual PPT license.~~

~~(c) All pull tabs manufactured or distributed for sale in Indiana must meet the "Standards on Pull Tabs" adopted by the North American Gaming Regulators Association, October 12, 1991, as amended October 20, 1998, and amended December 12, 2005, which is incorporated by reference. Copies are available from the North American Gaming Regulators Association, 26 East Exchange Street, Suite 500, St. Paul, MN 55101 or <http://www.nagra.org>.~~

~~(d) No organization shall conduct any allowable event in which the winner of a prize is determined, in whole or in part, on a sporting event.~~

(Indiana Gaming Commission; [68 IAC 21-3-1](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#))

SECTION 22. [68 IAC 21-3-2](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-3-2](#) Conducting an allowable event

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#); [IC 5-14-1.5](#); [IC 35-45-5-1](#)

Sec. 2. (a) Except as provided for pull-tabs, punchboards, and tip boards obtained from the state lottery

commission, all licensed supplies must be obtained under [IC 4-32.2-5-25](#).

(b) The purchase of Hoosier Lottery pull-tabs by the qualified organization is only permitted if the qualified organization is licensed by the state lottery commission to sell the items. The provisions of [IC 4-32.2](#) do not apply to the purchase and sale of Hoosier Lottery pull-tabs by a qualified organization.

(c) Except as otherwise provided, an allowable event must begin and end within a period of twenty-four (24) consecutive hours.

~~(d) The lease of a location or facility for an allowable event must be in writing and:~~

~~(1) between the qualified organization and the owner of the premises, as determined by the property owner of record on the property tax rolls of the county in which the property is located; or~~

~~(2) a valid sublease between the sublessor and sublessee, with written consent of the assignment by the property owner of record, as determined by the property tax rolls of the county in which the property is located.~~

(d) A qualified organization may not conduct more than six (6) charity game night single events per calendar year.

(e) Except for a festival, an organization must not pay more than five hundred dollars (\$500) per event in total for personal property that may be used by the organization to conduct the event. This includes the rental of tables, chairs, and related equipment owned and leased by the lessor who is leasing the facility to the qualified organization for an allowable event. The rental of tangible personal property cannot be based on the revenue generated by the event. For a festival event, the five hundred dollar (\$500) limitation only applies to the rental of gambling-related equipment and supplies.

(f) A qualified organization may advertise an allowable event. An advertisement in printed media, **such as newspapers, magazines, and Internet websites, or temporary signage, such as fliers, yard signs, billboards, and marquee advertisements**, must contain the name and license number, in bold print, of the organization conducting the event. An advertisement in broadcast media must announce, at the end of the advertisement:

(1) the name of the **qualified** organization conducting the event; and

(2) that the qualified organization's license number is on file.

A television announcement of the name and license number of the organization conducting the event may be in the form of an audio or a video, or both. ~~Temporary signage, such as fliers and marquee advertisements, must contain the name of the qualified organization conducting the event but need not include the qualified organization's license number.~~

(g) An organization conducting a charity game night event shall not advertise for that event using a business name, such as a "d/b/a", which is different from the name on the organization's license, on any advertisement or signage. An organization must include "charity game night" on any advertisement or signage that describes, names, or identifies the event.

~~(g) An organization cannot sell a pull tab, punchboard, or tip board ticket for more than one dollar (\$1).~~ **(h)** Pull-tabs cannot be sold in this state **under this rule** unless a flare accompanies the deal.

~~(h)~~ **(i)** An organization may not permit a person less than eighteen (18) years of age to play or participate in an allowable event. However, a person less than eighteen (18) years of age may play or participate in **nongaming** activities associated with an allowable event. A qualified organization is prohibited from allowing an individual less than eighteen (18) years of age to serve food or drinks to participants in the area where the gaming is occurring.

~~(i)~~ **(j)** A sign printed with a font size legible from a distance of at least ten (10) feet must be prominently posted near each entrance and registration area throughout the event stating that the operators and workers are not allowed to accept tips.

~~(j)~~ **(k)** An organization may employ not more than three (3) nonmember Indiana law enforcement officers or

private detectives properly licensed in Indiana to perform security services during an allowable event. An organization may not use more than three (3) security personnel unless the organization has prior written approval of the executive director or the executive director's designee.

~~(k) Except as allowed in [IC 4-32.2-5-14](#)(c), neither the operator nor a worker is permitted to participate in the allowable event that is being held. An operator is prohibited from being an operator for more than three (3) qualified organizations in a calendar month. A manufacturer, distributor, or an officer or employee of a manufacturer or distributor is prohibited from being an operator or worker at any allowable event.~~

(l) To obtain express authorization for an exemption from a normal prize limit where permissible in [IC 4-32.2](#), a qualified organization must submit a written application on a form prescribed by the commission stating the date, time, and location of the event at least forty-five (45) days before the date of the event. The authorization to exceed the normal prize limits must be prominently displayed at the time and location of the event.

(m) An organization may dispose of ~~any~~ unused bingo supplies, punchboards, pull-tabs, tip boards, and ~~any~~ other licensed supplies specified by the commission by shredding, burning, or otherwise destroying them. The organization must notify the commission that such items are to be destroyed thirty (30) days in advance of the destruction and must provide the following information:

- (1) The date the items ~~were~~ **will be** destroyed.
- (2) The manner of destruction.
- (3) A description of the items **to be** destroyed.
- (4) The quantity of **the** items **to be** destroyed.
- (5) The serial numbers of the items **to be** destroyed.
- (6) The trade name of the items.
- (7) The reason for destruction.

Destruction of ~~any~~ unused licensed supplies must be certified by one (1) officer of the qualified organization **on a form prescribed by the commission.**

(n) If an organization has lost ~~any~~ licensed supplies through theft, fire, flood, or other disaster, the organization must notify the commission in writing of the loss and provide the following information within ten (10) days of discovering the loss:

- (1) The date the items were lost.
- (2) The manner of loss and a description of the items lost.
- (3) The serial numbers of the items lost.
- (4) The trade name of the items.
- (5) Copies of all insurance forms submitted for the loss.
- (6) ~~Any~~ Police ~~department~~ or fire department reports created in connection to the loss.
- (7) ~~Any~~ Other information required by the commission or the executive director.

~~(o) A serial number consisting of at least five (5) alpha characters or numeric characters, or both, must be printed on each concealed face bingo card manufactured and sold.~~

~~(p)~~ **(o)** To collect a pull-tab, punchboard, or tip board prize valued at two hundred fifty dollars (\$250) or more:

(1) The winner must provide the following to the organization:

- (A) His or her printed name.
- (B) His or her signature.
- (C) His or her date of birth.

(2) The organization awarding the prize must verify the identity of the winner using any reasonable means the organization considers necessary.

~~(q)~~ **(p)** A charitable organization may not conduct an allowable event on or through the Internet.

(q) No organization shall conduct any allowable event in which the winner of a prize is determined, in whole or in part, on a sporting event.

(r) An organization may

~~(4)~~ accept only United States currency, coin, personal check, or debit card from players when conducting an

allowable event. and

~~(2) not extend credit to any player.~~

(s) Publication of notice required by [IC 4-32.2-4-5\(c\)](#) and [IC 4-32.2-4-7.5\(c\)](#) shall be made not later than fifteen (15) days after the applicant has received a prelicense review letter issued by the commission.

(t) **If the gaming location at which** a qualified organization holding a license issued under [IC 4-32.2-4-5](#) and [IC 4-32.2-4-7.5](#) **changes, the qualified organization** shall publish notice as required by [IC 4-32.2-4-5\(c\)](#) and [IC 4-32.2-4-7.5\(c\)](#). ~~if the location changes at which the organization conducts gaming pursuant to these licenses.~~ Notification must meet the requirements of [IC 4-32.2-4-5\(d\)](#) and [IC 4-32.2-4-7.5\(d\)](#). In the event the commission receives at least ten (10) written and signed protest letters, the commission may hold a hearing in accordance with [IC 5-14-1.5](#).

(u) Protest letters referenced in [IC 4-32.2-4-5\(e\)](#) and [IC 4-32.2-4-7.5\(e\)](#) opposing the issuance of an initial annual bingo or annual charity game night license, respectively, must be received by the commission not later than fifteen (15) days after the last publication required by [IC 4-32.2-4-5\(c\)](#) and [IC 4-32.2-4-7.5\(c\)](#), respectively.

~~(v) The total prizes awarded for a winner take all drawing or a qualified drawing may not exceed three hundred dollars (\$300) for each drawing. All~~ Prizes awarded for a winner take all drawing or a qualified drawing must be U.S. currency.

(w) A qualified organization conducting a winner take all drawing or a qualified drawing must maintain a ledger in which the qualified organization records:

(1) the date of each drawing;

(2) each winning patron's:

(A) name;

(B) address; and

(C) telephone number; and

(3) the amount awarded to each winner.

The ledger must be printed legibly and must be available for inspection upon request.

(x) A qualified organization conducting a raffle, door prize, winner take all drawing, or qualified drawing must conduct its own winning draws.

(y) A qualified organization is prohibited from conducting ~~any~~ **an** allowable event at a bar or tavern, or at a facility connected to a bar or tavern, that is not owned by a qualified organization.

~~(z) Except as outlined in [IC 4-32.2-5-14](#), a person dealing a card game must be either a worker or an operator.~~

~~(aa)~~ **(z)** An organization must deposit ~~all~~ **gaming** proceeds from an allowable event into its separate and segregated ~~bank~~ **checking** account within five (5) business days **after the conclusion** of the event. **Monies deposited into the separate and segregated checking account must not be transferred into another account.**

~~(bb)~~ **(aa)** An organization must conspicuously post a "no change" sign on ~~any electronic pull-tab machine~~ **a dispensing device** that does not provide change.

(bb) Pull-tabs manufactured or distributed for sale in Indiana must meet the "Standards on Pull Tabs" and "Pull Tab Record Keeping and Reporting Standards" adopted by the North American Gaming Regulators Association (NAGRA), October 12, 1991, and May 11, 1994, respectively, as amended October 20, 1998, and amended December 12, 2005, which is incorporated by reference. Except for when a conflict exists with a provision of [IC 4-32.2](#) or a rule of the commission, a qualified organization must conduct pull-tab games in the manner prescribed by these NAGRA standards. Copies are available from the North American Gaming Regulators Association, 26 East Exchange Street, Suite 500, St. Paul, MN 55101 or <http://www.nagra.org>.

(cc) Bingo supplies manufactured or distributed for sale in Indiana must meet the "Bingo Standards" and "Bingo Record-Keeping and Reporting Standards" adopted by the North American Gaming Regulators Association, October 22, 1992, and May 11, 1994, respectively, and amended March 18, 2011, which is incorporated by reference. Except for when a conflict exists with a provision of [IC 4-32.2](#) or a rule of the commission, a qualified organization must conduct bingo games in the manner prescribed by these NAGRA standards. Copies are available from the North American Gaming Regulators Association, 26 East Exchange Street, Suite 500, St. Paul, MN 55101 or <http://www.nagra.org>.

(dd) A qualified organization using volunteer ticket agents to sell tickets to an allowable event must maintain a ledger in which the qualified organization records the:

- (1) date of the allowable event to which the tickets are sold;
- (2) name, address, and telephone number of each volunteer ticket agent and the retail establishment where the volunteer ticket agent sold tickets; and
- (3) sequential numbers of the tickets provided to the retail establishment.

(ee) A qualified organization using volunteer ticket agents must account for and retain possession of unsold licensed supply provided to a retail establishment for sale by volunteer ticket agents.

(ff) Tickets sold for an allowable event for which a volunteer ticket agent is being used must be sequentially numbered.

(gg) A qualified organization may not remunerate a retail establishment whose employees are serving as volunteer ticket agents.

(hh) A full-sized photocopy of the charity gaming event license is required to be prominently displayed at the facility where the event is being held. The original license must be available for inspection upon request at all times. In addition to the photocopy, a legible sign of adequate dimension of at least eight and one-half (8 1/2) inches by eleven (11) inches must be prominently posted near each entrance and registration area at the event, in such a manner that it can be clearly read by all the players during an event, containing the following:

- (1) The name of the qualified organization.
- (2) The license number of the qualified organization.
- (3) The expiration date of the license.

(ii) Under an annual raffle license or an annual PPT license, an employee of the qualified organization may participate in the sale and redemption of pull-tabs, punchboards, and tip boards on the premises owned or leased by the qualified organization, or donated to the qualified organization, and receive the remuneration ordinarily provided to the employee in the course of the employee's employment.

(jj) Under an annual raffle license or an annual PPT license, a qualified organization may sell pull-tabs, punchboards, or tip boards at any time on the premises owned or leased by the organization, or donated to the qualified organization, and regularly used for the activities of the qualified organization.

(kk) A qualified organization must use the fair market retail value of any noncash prize awarded to a winner of an allowable event to determine the applicable prize payout for the allowable event.

(Indiana Gaming Commission; [68 IAC 21-3-2](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 23. [68 IAC 21-3-4](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-3-4](#) Water races

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

~~Sec. 4. (a) A qualified organization may lease qualified personal property to conduct a water race described in [68 IAC 21-1-16](#) without limitation on the amount of rent that may be charged to a qualified organization to lease qualified personal property.~~

~~(b) A person that leases qualified personal property to a qualified organization is not considered to be an operator or a worker for the allowable event in which the qualified personal property will be used.~~

The commission may issue a water race license that permits a qualified organization to conduct a water race in the following manner:

(1) Each item is marked with a number corresponding to the number on a ticket, chance, or entry purchased in a water race.

(2) The winner of the water race is determined by the number on the item that crosses a designated finish line on the body of water first.

(Indiana Gaming Commission; [68 IAC 21-3-4](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 24. [68 IAC 21-3-4.1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-3-4.1](#) Euchre

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-4](#)

Sec. 4.1. (a) A patron participating in a euchre game conducted under a charity game night license issued under [IC 4-32.2-4-7](#) or [IC 4-32.2-4-7.5](#) or a festival license issued under [IC 4-32.2-4-12](#) must deal every time he or she has the opportunity to do so in the regular course of the game of euchre.

(b) No patron participating in a euchre game conducted under a charity game night license issued under [IC 4-32.2-4-7](#) or [IC 4-32.2-4-7.5](#) or a festival license issued under [IC 4-32.2-4-12](#) may receive prizes other than those awarded to the winners of the game.

(c) A qualified organization conducting a euchre game under a charity game night license issued under [IC 4-32.2-4-7](#) or [IC 4-32.2-4-7.5](#) or a festival license issued under [IC 4-32.2-4-12](#) must have one (1) operator for each six (6) tables of four (4) players. Determination of prize payouts, resolution of disputes, and responsibility for all buy-ins and cash-outs of chips must be done by an operator.

(Indiana Gaming Commission; [68 IAC 21-3-4.1](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 25. [68 IAC 21-3-4.2](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-3-4.2](#) Guessing game license

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 4.2. The commission may issue a guessing game license that permits a qualified organization to conduct a guessing game.

(Indiana Gaming Commission; [68 IAC 21-3-4.2](#))

SECTION 26. [68 IAC 21-3-4.3](#) IS ADDED TO READ AS FOLLOWS:

[68 IAC 21-3-4.3](#) Qualified card game requirements

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 4.3. (a) A qualified organization licensed to conduct a qualified card game other than euchre must use a minimum of two (2) operators and a minimum of one (1) operator per forty (40) players per event.

(b) The dealer of a qualified card game is required to submit the deck of cards to be cut to the nearest player to the right of the dealer. When the dealer submits the deck to be cut, the player to whom the deck is submitted may:

- (1) cut the deck; or**
- (2) decline to cut the deck.**

(c) When dealing cards, the dealer must place a blank card at the bottom of the deck. "Blank card" means a nonplaying card that is not used during the course of the game.

(Indiana Gaming Commission; [68 IAC 21-3-4.3](#))

SECTION 27. [68 IAC 21-4-1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-4-1](#) Records of qualified organization

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-4-3](#); [IC 4-32.2-5-16](#)

Sec. 1. (a) A qualified organization must maintain records of all financial aspects of each allowable event adequate for the commission to conduct oversight as authorized and required by [IC 4-32.2](#) and to report ~~such the~~ information to the commission on forms prescribed by the commission. The organization must set up a separate and segregated bank **checking** account to account for ~~all the~~ proceeds and expenditures of the allowable event. **If a qualified organization donates gaming proceeds to a recognized subsidiary or auxiliary, then the subsidiary or auxiliary must account for the donation and related expenditures in its own separate and segregated charity gaming checking account. If a qualified organization donates gaming proceeds to another qualified organization pursuant to [IC 4-32.2-5-16\(b\)](#), then the donee qualified organization must account for the donation and related expenditures in its own separate and segregated charity gaming checking account.** The records that must be kept and the information that must be submitted on the forms prescribed by the commission include, but are not limited to, the following:

- (1) Gross receipts from each type of activity conducted at each allowable event.
- (2) Prize payouts.
- (3) Net receipts to the organization.

~~Included in the organization's financial records must be any~~ **The rental costs associated with conducting the an allowable event, including, but not limited to, a facility lease and the lease of tangible personal property, must be included in the organization's financial records.**

(b) The appropriate financial forms prescribed by the commission must be provided as follows:

- (1) ~~All~~ Annual license holders must submit the appropriate forms prescribed by the commission **postmarked** not later than the ~~fifteenth~~ **tenth** day of the month in which the annual license expires.
- (2) ~~All special~~ **Single** event license holders must submit the appropriate forms prescribed by the commission not more than ten (10) days after the ~~special~~ **allowable** event is concluded.
- (3) ~~All~~ Qualified organizations conducting an ~~unlicensed allowable~~ **exempt** event under ~~[IC 4-32.2-4-3\(a\)](#)~~ must submit the appropriate forms prescribed by the commission annually, one (1) year after the date of the first ~~allowable~~ **exempt** event of a calendar year. If the value of all prizes awarded for a single **exempt** event exceeds one thousand dollars (\$1,000), or exceeds an aggregate of a total of three thousand dollars (\$3,000) for all ~~allowable~~ **exempt** events at any point during the calendar year, a qualified organization shall submit the appropriate forms prescribed by the commission within ten (10) days of exceeding the limit.

(c) The commission shall be granted unrestricted access to ~~all the~~ **records of a qualified organization**, including, but not limited to, the following:

- (1) Membership information.
- (2) Financial records.
- (3) Receipts for the purchase or lease of all licensed supplies.

(d) A qualified organization must retain the following records for three (3) years from the conclusion of **the financial accounting period for the license containing** the allowable event:

- (1) All documents associated with allowable events.
- (2) All other documents kept in the regular course of allowable events.

(Indiana Gaming Commission; [68 IAC 21-4-1](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 28. [68 IAC 21-4-2](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-4-2](#) Records of manufacturer or distributor

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2](#)

Sec. 2. (a) An entity licensed as a manufacturer or distributor must keep records adequate for the commission to conduct oversight as authorized by [IC 4-32.2](#) and to report ~~such~~ **the** information to the commission on forms prescribed by the commission. The records required must include, but are not limited to, the following:

- (1) A general sales invoice that:

(A) is:

- (i) numbered consecutively; and
- (ii) prepared in at least two (2) parts, one (1) being issued to the customer and the other retained in an invoice file; and

(B) sets out:

- (i) the date of sale;
- (ii) the customer name and business address;
- (iii) a full description of ~~each~~ **the** licensed supply sold, including the serial numbers of the licensed supply sold;
- (iv) the quantity and sales price of ~~each~~ **the** licensed supply;
- (v) the manufacturer's or distributor's license number;
- (vi) the customer's **current** license number; and
- (vii) the gaming card excise tax due on the sale.

- (2) Credit memoranda prepared in the same detail as sales invoices.

- (3) A sales journal containing at least the following, by calendar month:

- (A) The date of sale.
- (B) The invoice number of the sale.
- (C) The customer name or account number.
- (D) The total amount of the invoice.
- (E) The total amount of the gaming card excise tax due on the sale.

- (4) A complete list of the persons representing the buyer and seller of licensed supplies.

- (5) Purchase records documenting that all

~~(A) bingo supplies;~~

~~(B) equipment;~~

~~(C) pull tabs;~~

~~(D) punchboards;~~

~~(E) tip boards; and~~

~~(F) licensed supplies were purchased from either a licensed manufacturer or another licensed distributor.~~

(b) The serial number printed on licensed supply sold must be identifiable with the sales invoice reflecting the sale of the specific licensed supply.

- (c) Records ~~are required to~~ **shall** be maintained until the later of the following:

- (1) Six (6) years after the year in which they are created.
- (2) The end of the audit if ~~such~~ **the** records are under audit.

(d) Marketing sheets that show the expected gross income, payout, net income, and number of deals in the pull-tab game that have been sold to the qualified organization. "Payout" does not include the cost of the game

itself.

(e) If a licensed manufacturer or distributor destroys, discontinues, or otherwise renders unusable licensed supplies sold in Indiana, then the manufacturer or distributor must provide the commission with a written list of the licensed supplies destroyed, including the following:

- (1) The quantity.
- (2) A description of the items.
- (3) Serial numbers.
- (4) The date on which the items were destroyed.

(f) A licensed manufacturer or distributor must keep the commission informed of the following:

- (1) Its location.
- (2) The location of all facilities where licensed supplies are manufactured or distributed.
- (3) Where the records will be stored if the manufacturer or distributor ceases business **or sells its business to another entity.**

(g) The records referenced in subsections (a) through (e) must be produced upon request by the:

- (1) commission;
- (2) executive director; or
- (3) executive director's designee.

(h) If a licensed manufacturer or distributor sells its business to another entity, then the manufacturer or distributor must provide the following to the commission within ten (10) days of the closing of the sale:

- (1) Records documenting the sale.**
- (2) The original manufacturer or distributor's license.**

(Indiana Gaming Commission; [68 IAC 21-4-2](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 29. [68 IAC 21-5-1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-5-1](#) Restrictions

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-5-22](#)

Sec. 1. (a) A qualified organization shall not enter into ~~any~~ **a** formal or informal agreement relating to an allowable event, including, but not limited to:

- (1) hiring or contracting operators and workers; ~~or~~
- (2) leasing real or tangible personal property; ~~or~~

(3) concessions and retail sales;

with a person affiliated with that organization. Such affiliations include, but are not limited to, members, officers, directors, or members of their family.

(b) Unless otherwise provided in [IC 4-32.2-5-22](#), a manufacturer, distributor, or their officers, employees, or agents shall not affiliate with the gaming operation of a qualified organization in any manner other than the sale or lease of licensed supplies.

(Indiana Gaming Commission; [68 IAC 21-5-1](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 30. [68 IAC 21-6-1](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-6-1](#) Disciplinary action

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-2-24](#); [IC 4-32.2-8-1](#)

Sec. 1. (a) Qualified organizations, manufacturers, and distributors have a continuing duty to maintain compliance with [IC 4-32.2](#) and this article. A commission license does not create a property right, but is a privilege contingent upon continuing compliance and suitability for licensure.

(b) **In addition to the grounds for penalties listed in [IC 4-32.2-8-1](#)**, the commission may initiate an investigation or a disciplinary action, or both, against a qualified organization, **a manufacturer, a distributor**, or an individual, if the commission has reason to believe the qualified organization, **manufacturer, distributor**, or individual:

(1) is not complying with:

(A) [IC 4-32.2](#);

(B) this article; or

(C) any condition imposed on a license under [IC 4-32.2-4-16\(e\)](#);

(2) has failed to accurately account for:

(A) bingo cards;

(B) bingo boards;

(C) bingo sheets;

(D) bingo pads;

(E) pull-tabs;

(F) punchboards;

(G) tip boards;

(H) any other licensed supplies; or

(I) sales proceeds from an event or activity licensed or permitted under this article;

(3) has committed an act of fraud, deceit, or misrepresentation;

(4) has failed to maintain adequate records for the commission to conduct oversight authorized under [IC 4-32.2](#); or

(5) **(1)** has violated a statute, regulation, local ordinance, or other law providing for the best interests of charity gaming; or

(2) owes license fees.

~~(c) The commission may initiate an investigation or a disciplinary action, or both, against a qualified organization or an individual for conduct prejudicial to public confidence in the commission.~~

~~(d) (c) The commission shall pursue~~ a disciplinary action against a qualified organization, **a manufacturer, a distributor**, or an individual ~~shall be pursued~~ in accordance with the procedures in [68 IAC 13](#), except any provision therein that is inapplicable to charity gaming.

~~(e) (d) For purposes of the initiation of an investigation or a disciplinary action under this rule, article, the commission may consider all the relevant activities of an organization prior to any reorganization conducted under [IC 4-32.2-2-24\(a\)\(C\)\(iii\)](#).~~ [IC 4-32.2-2-24\(a\)\(1\)\(C\)\(iii\)](#).

(e) If the commission revokes a license of a qualified organization, manufacturer, or distributor, then the commission may publish notice of the revocation in a newspaper of general circulation in the county where the qualified organization is located and in the county where the allowable event was conducted.

(Indiana Gaming Commission; [68 IAC 21-6-1](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#); filed May 27, 2008, 4:09 p.m.: [20080625-IR-068070748FRA](#); filed Dec 30, 2009, 2:06 p.m.: [20100127-IR-068090676FRA](#))

SECTION 31. [68 IAC 21-6-2](#) IS AMENDED TO READ AS FOLLOWS:

[68 IAC 21-6-2](#) Actions available to an administrative judge and the commission

Authority: [IC 4-32.2-3-3](#)

Affected: [IC 4-32.2-8-1](#); [IC 4-32.2-8-3](#); [IC 6-8.1](#)

~~Sec. 2. The commission may take any of the following actions in a disciplinary action against a qualified organization or an individual:~~

- ~~(1) Suspend or revoke a license.~~
- ~~(2) Lengthen a period of suspension of a license.~~
- ~~(3) Levy a civil penalty against a qualified organization or an individual.~~
- ~~(4) Impose an additional penalty of not more than one hundred dollars (\$100) for each day the original penalty goes unpaid.~~
- ~~(5) Prohibit an operator or individual who has been found to be in violation of this article from facilitating or conducting charity gaming.~~
- (6) In addition to the actions listed in [IC 4-32.2-8-1](#) and [IC 4-32.2-8-3](#), the commission may collect any underreported license fees.**

(Indiana Gaming Commission; [68 IAC 21-6-2](#); filed May 30, 2007, 8:28 a.m.: [20070627-IR-068060335FRA](#))

SECTION 32. THE FOLLOWING ARE REPEALED [68 IAC 21-1-5](#); [68 IAC 21-1-6](#); [68 IAC 21-2-7](#).

[Notice of Public Hearing](#)

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